



Health Insurance Rate Increase Summary

The Texas Department of Insurance

Insurer and Filing Information

Company Name	Trustmark Life Insurance Co.	SERFF Tracking #	TRST-127758402
Company NAIC#	62863	State Tracking #	2838166
Market Segment	Small Group	Effective Date	09/01/2011
Type of Insurance	Major Medical	Filing Date	11/02/2011
Change Period	Annual	Grandfathered?	No

Impact of the Rate Increase

Average Rate Increase	10.6 percent	Texas Policyholders Affected	593
Minimum Rate Increase	0.0 percent	Texas Covered Lives Affected	8,201
Maximum Rate Increase	29.0 percent		

Drivers of the Rate Increase

- **Medical trend** - Medical trend represents the increase in cost and utilization of medical services.
- **Changes in area factors** - Area factors reflect the general cost level of an area, the differences in medical practices by area, the specialization and intensity of services in an area, and the amount of competition in an area. The changes in area factors ranged from -42 percent to 16 percent.
- **Adverse experience** - Companies adjust rates when actual experience deviates from expected.

Components of the Rate Increase

Increase due medical trend	13.0 percent
Average change due to area factors	-3.2 percent
Adverse experience	0.8 percent

Prior Rate Increases

2010	15.1 percent
2009	13.9 percent
2008	6.4 percent

To request a copy of the rate filing submitted by the company, send an open records request to lifehealth@tdi.state.tx.us and include the state tracking number in your email.

Rate Review Process

TDI actuarial staff reviews rate filings for completeness when received. Rather than rejecting an incomplete filing, TDI works with companies to obtain complete information to perform a full actuarial review. TDI often must make subsequent requests because companies' previous responses were incomplete or generated additional questions.

November 2011 to mid-January 2012:

TDI requested information to obtain a complete filing and begin its review.

Mid-January to early March:

TDI completed the initial review and communicated with the company about remaining questions.

March to July:

TDI completed its final review and found the rate increase to be "not unreasonable."